

NEWCASTLE UPON TYNE DISTRICT
OF THE METHODIST CHURCH
TRUSTEES ANNUAL REPORT
AND ACCOUNTS

CHARITY NO. 1127637

FOR THE YEAR ENDED
31ST AUGUST 2021

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REFERENCE AND ADMINISTRATIVE INFORMATION

CHARITY NO. 1127637

FOR THE YEAR ENDED 31ST AUGUST 2021

TRUSTEES

Rev E Walker (appointed 1st September 2020)
Revd S J Lindridge (Chair)
Deacon G Morgan
Mrs C Armstrong
Rev A Waite (retired 31st August 2021)
Mr D A Stabler
Rev E Lindridge
Deacon T Hume
Rev S Earl
Mrs S Waters (appointed 24th April 2021)

Rev D Goodall (retired 31st March 2021)
Mr D Brown (appointed 24th April 2021)
Mr A Lowe
Mr C Horton (District Treasurer)
Mr A Wilkinson
Rev J Porterpryde
Mrs M Graham
Mrs S Gibbon
Miss A Ilderton
Rev J Carter (appointed 1st September 2021)

All trustees are deemed to be key management personnel of the charity

PRINCIPAL ADDRESS

246 Wingrove Road North
Fenham
Newcastle upon Tyne
NE4 9EJ

INDEPENDENT EXAMINER

RSM UK Tax and Accounting Limited
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

BANKERS

Lloyds Bank Plc
North Shields Branch
69, Bedford Street
North Shields
NE29 0AU

Central Finance Board of the Methodist Church
9 Bonhill Street
London
EC2A 4PE

**INVESTMENT MANAGERS
AND CUSTODIAN TRUSTEES**

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

SOLICITORS

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

1 Objectives and activities

In setting our objectives and planning our activities, the District Synod (under the leadership of the District Trustees) meets twice in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

The trustees present their annual report together with the financial statements and independent examiners report of the District for the period 1st September 2020 to 31st August 2021.

Newcastle upon Tyne District of the Methodist Church is a registered charity number 1127637.

Aims and Objectives

The aim of the Newcastle upon Tyne District of the Methodist Church is to respond to the gospel of God's love in Christ and to work in partnership with others to fulfil our calling.

Thus the District will seek to support, encourage, challenge and equip Circuits, Local Churches and individuals to:-

- a) underpin all activities with God-centred worship and prayer:
- b) promote a culture in the Church which is people-centred and flexible:
- c) make and nurture disciples who have confidence in speaking about their faith and in engaging in evangelism:
- d) engage in community development, acts of loving service and action for justice: and
- e) venture into fresh ways of being church.

The Methodist Conference further gave direction to every District to produce a District Mission Plan to give focus to the above.

District Mission Plan 2021

"The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission."

The purpose of the Newcastle upon Tyne Methodist District is "to resource local churches in fulfilling Our Calling"

Through the District Mission Plan (DMP) the District aims to resource local churches to be more fruitful in:

Worship
Evangelism
Small Group Discipleship

It will seek to achieve this through

A process of reflecting back to Circuit Leadership Teams on the Mission (i.e. Growth or End of Life) Plans that local churches and circuits produce.

The establishment of a "District Evangelism Team" with a particular focus on urban priority areas, rural areas, fresh expressions and the Together project.

The appointment of a "Worship Working Party" to consult widely in order to help the District discern how we can support an improvement in the quality of both congregational and small-group worship and what resourcing is needed to help churches implement this.

Working with Superintendent Ministers and Circuit Leadership Teams to seek the best way to support the development of small groups which promote faith development and church growth.

A commitment from the District and Circuits to ensuring that ministers' gifts and callings are not inhibited by being expected to fulfil lay roles e.g. safeguarding officer, property steward, treasurer etc.

In order to do this we will organise ourselves differently:

The Synod as the policy-making body confirmed in September 2018 that our purpose as a District is "to resource local churches in fulfilling Our Calling"

The District Policy Committee as the Managing Trustees, continues to refine its policies in a way that resources the District Mission Plan and will review the plan annually. The DMP will be regularly updated with its implementations and achievements.

The September 2018 Synod appointed a District Leadership Team from amongst the District Officers to ensure that the District fulfils its purpose.

Synod appointed a District Community Engagement Enabler in September 2019 to further enhance its goals

In all that we do remember that God is with us, that we seek to serve God alone and make disciples of Jesus Christ empowered by the Holy Spirit.

2 Achievements and performance

The principle purpose of the District is to act as a supporting body between Circuits and the Connexion.

The District does not seek and, in large measure, does not attain direct contact with the public. The direct contact is by Churches and Circuits and it is these that the District supports in their desire to provide benefit to the public.

Under the heading "Collaborative arrangements with connected charities" (3.3 below) there is information on how we obtained our funds. In this paragraph we show how they were spent. The money collected, or available for dissipation, was used as grants to support Churches and Circuits throughout the District with their work in their local communities and to subsidise the administrative costs of the District. The policy of the trustees on grant making is to ensure that all applications can demonstrate public benefit, pass a test of sustainability, show that there is commitment from the applicant organisation and show imagination and creativity as well as a perceived need for that for which the grant is being applied for.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

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The grants were of several kinds, including:

- Grants for the adaption of buildings so that they could more easily meet the modern needs of Churches and help Churches provide services to the community
- Grants which supported part time or full time workers attached to Circuits or Local Churches
- Grants for young people to attend conferences such as 3Generate
- Grants to individuals to help pay for the cost of studying.

Circuits and Churches that have received grants from the District will show in their own Trustees Annual Reports (where these are required to be prepared) details of the outcome of the activities undertaken as a result of receiving the grant

Training for supervision of all minister in the active work has begun.

Training for the new leadership module for safeguarding has begun across the District

The effects of the pandemic are beginning to take a significant toll upon the everyday mission and ministry of the main local churches. Each circuit has been affected and around 10% of the Churches in the District have sought permission to close in the last year. It is likely that more will follow in the coming year. Each Circuit has reduced staffing accordingly, with permission of the District Policy Committee as per the Standing Orders of the Methodist Church.

2.1 Plans for future years

- i Ensure that any local issues emanating from the Past Cases Review are dealt with sympathetically fully and timeously
- ii Ensure that all those within the District that should attend the safeguarding Leadership Module do so
- iii Encourage attendance at 3Generate
- iv Encourage initiatives for mission in Circuits and Churches within the District

3 Financial review

During the year the District received total income of £358K (2019/20 - £362K) and dispersed £440K (2019/2 - £336K). The resulting deficit was £83k(2019/20 surplus £25k) and total reserves carried forward of £758k (2019/20- £840K).

The trustees of the District have every reason to believe that the District is a going concern, principally because Circuits continue to meet their assessment and the District has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two

The District continues to hold the one freehold property being the Chair's Manse in Newcastle upon Tyne

The District has the following principal sources of funds:

- Interest on investments
- Levies on the Circuit Model Trust Funds of Circuits within the District
- Contributions from Connexional Advance & Property Fund
- Assessments on Circuits within the District

These sums are used to administer the District and to provide grants to Circuits, Churches and individuals in the District so that they may embark on or continue with projects that fulfil the mission of the District by bringing more people to Christ or by providing facilities that might enable this to happen

3.1 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (over 20K) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. Newcastle District trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment - both by way of dividend and capital appreciation - is obtained at least as good as market rate considering the District's low appetite for risk.

3.2 Reserves level and policy

It should be noted that the unrestricted reserves have funded the purchase cost of the manse £170k and, as a result, the unrestricted reserves readily available total is £98k.

The District has a reserves policy covering all its unrestricted funds which is reviewed annually.

The minimum policy level of the readily available part of the General Fund is such as to pay for six months payroll costs and closing costs of staff redundancies, rent and other costs on leased equipment. At 31st August 2021 this sum amounted to £87k against actual reserves of £98k as stated above.

The reserves held at the end of the year were as follows:

<u>Unrestricted Funds</u>	£
General Fund	£280,124
<u>Designated Funds</u>	
Capital Fund	£332,310
District Aid Fund	£100,198
Our Calling	£0
Mission Together Fund	£19,269
International Fund	£20
University Chaplain	£11,382
Industrial Chaplaincy	£0
Ignite	£0
	<u>£463,179</u>
District Advance Fund	-£10,423
Benevolence Fund	£6,056
MSM Fund	£15,693
	<u>£11,326</u>
	<u>£754,629</u>
Total Undesignated Funds	£280,124
Less: Invested in the Manse	£169,840
Uncommitted reserves, readily available	£110,284

All funds are separately invested either with CFB or TMCP. No money is directly invested in property, securities or other forms of investments.

3.3 Collaborative arrangements with connected charities

The District's main source of funding is the assessments obtained from each Circuit within the District based on the membership and staffing levels of the Circuit and this was used to defray most of the cost of administering the District. The sum amounted to £84,762 (2019/2020 - £59,654).

The District obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the size of the Circuits' CMTFs at the start of the connexional year (1st September). In 2020/21 this sum was £82,094 and was credited to the District Advance Fund. The District also obtained an allocation from the Connexional Advance and Property Fund of £153,253. This fund is obtained from a levy on all property sales of Methodist property.

The District holds no funds as custodian Trustee. It does, however, quarterly receive from Circuits

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

within the District the Circuits' contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same quarter. Funds received by the District as agent are not recognised as an asset in the financial statements because the fund are not within its control. No fee is earned in respect of this agency arrangement and the District incur no cost through this arrangement.

4 Trustees' responsibilities

The trustees are responsible for preparing the trustees report and the financial statements in accordance with applicable law and the United Kingdom Accounting standards

For each financial year ending on 31st August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP
- UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the District will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enables them to ensure that the financial statement comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Training in the responsibilities of trustees is offered to all new trustees soon after their appointment

4.1 Risk

The District is largely risk averse but, especially in making grants to entities embarking on new and imaginative initiatives, the District is prepared to underwrite considered risks

Districts do not need their own risk register because of what is covered in the Connexional Risk Review will be the same for the District, the District notes that the latest review was undertaken by The Methodist Council at its January 2021 meeting. The review was updated in the light of Covid-19 and other wider risks. The Connexional risk review can be viewed at [counc_jan-21_mc21-4-risk-management-policy.pdf\(methodist.org.uk](https://counc_jan-21_mc21-4-risk-management-policy.pdf(methodist.org.uk)

4.2 Safeguarding

The District reviews its Safeguarding Policy annually and is guided by the Regional Safeguarding Officer, who serves both the Newcastle upon Tyne and Darlington Districts. There is detailed guidance for Ministers and Lay Persons and all are recruited to serve in any post or office via the "safer recruitment process", appropriate training is delivered. The District including all Circuits, Local Churches and Projects, fully cooperated with the Connexional request for information in recent years to inform the "past cases review" process the Connexion and the Independent Inquiry into Sexual Abuse inquiries and that body issued a report in the Summer of 2021 in the light of its findings

5 Structure, governance and management

The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 21st January 2009.

The Trustees are appointed from within the District as and when the need arises and appointments are approved by District Synod.

5.1 Structure

Circuits are the coordinating charities for local groups of Churches; Circuits pay the stipends of the minister and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the half yearly Circuit Meeting. A District is the coordinating charity for a group of contiguous Circuits and makes its decisions at half yearly synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
3. Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

5.1 Structure continued

4. The District passes regulatory control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their Charity

5.2 Purpose of the District

The District is an expression, over a wider geographical area than any Circuit, of the Connexional character of the church

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

- a. the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b. any charitable purposes for the time being of any Connexional, District Circuit, Local or other organisation of the Methodist Church, and
- c. any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d. any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this District is to advance the mission of the Church in Northumberland Tyne & Wear and the Northern part of Durham.

- by providing opportunities for Circuits to work together and support each other
- by offering to Circuits resources of finance, personnel and expertise

The District serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training

5.3 Governance

The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London, NW1 5JR to provide guidance on changes that could affect the District.

The members of the District Policy Committee (DPC) are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years. The Chair of District is *ex officio* chair of the DPC. When a position becomes vacant on the District Policy Committee, nominations are invited from minister and lay members of Circuits within the District. The Chair of the District then shares with nominees what the roles involve. If they wish to be considered for a role, their names are taken to the District Policy Committee and the District Synod for appointment. Members may be either ministers or lay people attending Churches in the area covered by the District. Trustees are all members of the Methodist Church and through experience are aware of the workings of the charity

The District Policy Committee normally meets four times per year and deals with routine and exceptional matters. It oversees the work of the Evangelism, Worship and Discipleship teams and Finance and Property Executive, Stationing Advisory group, probationers committee and Candidates committee

5.4 Responsibilities of the District Policy Committee

- i to formulate and promote policies which will advance the mission of the Church in the Circuits and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches and Circuits having exceptional problems.
- ii to encourage inter-Circuit and ecumenical co-operation
- iii to act in an executive capacity in matters remitted to the Committee by the Synod
- iv to keep within its purview all District concerns not dealt with elsewhere
- v to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind
- vi to be aware that the stipend of the Chair of the District is set - currently by reference to the change over a year in the Consumer Price Index - using a formula that was agreed by the Methodist Conference for all ministers within the Connexion.
- vii constantly to be aware of the public benefit guidance issued by the Charity Commission

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2021

6.1 Trustees

The following served as Trustees throughout part or all of the year 2020/21 or were trustees at the time of this report being approved:

Rev A Waite (retired 31st August 2021)
Revd S J Lindridge (Chair)
Mr A Lowe
Rev J Carter (appointed 1st September 2021)
Mrs C Armstrong
Mr D A Stabler
Rev E Lindridge
Deacon T Hume
Deacon G Morgan
Mrs M Graham

Rev E Walker (appointed 1st September 2020)
Rev J Porterpryde
Rev D Goodall (retired 31st March 2021)
Mr C Horton (District Treasurer)
Rev S Earl
Mr A Wilkinson
Mr D Brown (appointed 24th April 2021)
Miss A Ilderton
Mrs S Gibbon
Mrs S Waters (appointed 24th April 2021)

6.2 Salaries of District employees are reviewed by the Property and Finance Executive and confirmed by the subsequent District Policy Committee.

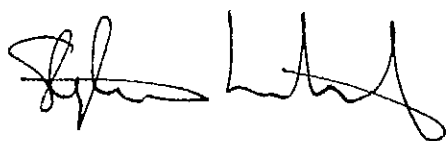
6.3 A resolution to reappoint RSM UK Tax and Accounting Limited as independent examiners will be put to the trustees and the Synod.

Approvals

The Trustees' Report and the Financial Statements were approved by the District Policy Committee on

Signed on behalf of the DPC, as authorised:

Stephen Lindridge (signed)



District Chair

Date:

16th June 2022

Christopher Horton (signed)



District Treasurer

Date:

16th June 2022

INDEPENDENT EXAMINERS REPORT TO THE
TRUSTEES OF NEWCASTLE UPON TYNE DISTRICT OF
THE METHODIST CHURCH FOR THE YEAR
ENDED 31ST AUGUST 2021

I report to the trustees on my examination of the accounts of Newcastle Upon Tyne District of the Methodist Church for the year ended 31st August 2021 which are set out on pages 3 to 14

Respective responsibilities of trustees and examiner

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the 2011 Act)

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair view' and my report is limited to those specific matters set out in the examiner's statement.

Independent examiner's statements

Since the charity's gross income exceeds £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

Name: Lucy Robson

Relevant professional qualification or body: ACA

ON BEHALF OF RSM UK TAX AND ACCOUNTING LIMITED

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

Date

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST AUGUST 2021

	Notes	Unrestricted Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	Totals This Year £	Totals Previous Year £
Income and Endowments							
Charitable activities	4a	84,762	-	235,347	-	320,109	268,412
Investments-interest		173	1,052	1,985	30	3,240	9,713
Donations and legacies-donations		-	-	581	-	581	2,753
Other Charitable Income	4b	612	33,000	-	-	33,612	81,122
Total Incoming Resources		85,547	34,052	237,913	30	357,542	362,000
Charitable Activities							
Salaries & Associated Costs	4c&6	92,462	93,536	-	-	185,998	200,241
Manse Costs	4c	7,184	-	-	-	7,184	7,289
Administration	4c	17,461	-	-	-	17,461	16,129
Grants & Donations	4c	-	13,641	207,243	-	220,884	102,661
Other Expenditure	4c	7,429	426	951	6	8,812	10,312
Total Charitable Activities		124,536	107,603	208,194	6	440,339	336,632
Net Expenditure		(38,989)	(73,551)	29,719	24	(82,797)	25,368
Transfers Between Funds		54,675	9,509	(64,160)	(24)	-	-
Sub Total		15,686	(64,042)	(34,441)	-	(82,797)	25,368
Other gains		-	-	-	229	229	-
Net Movement in Funds		15,686	(64,042)	(34,441)	229	(82,568)	25,368
Reconciliation of Funds							
Total funds brought forward from Last Year		264,438	527,221	45,767	2,927	840,353	814,985
Total Funds Carried Forward at End of Year		280,124	463,179	11,326	2,927	757,785	840,353

The statement of financial activities includes all gains and losses recognised in the year

All incoming resources and resources expended derive from continuing activities

These unaudited financial statements have been subject to independent examination. See report on page 2.

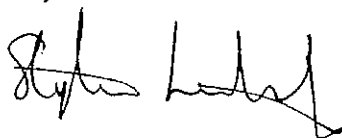
NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

BALANCE SHEET AS AT 31ST AUGUST 2021

	Notes	Totals This Year £	Totals Previous Year £
Fixed Assets	7	<u>169,840</u>	<u>169,840</u>
Current Assets			
Debtors & Prepayments	8	72,814	22,556
Cash at Bank		<u>1,162,090</u>	<u>1,118,213</u>
Total Current Assets		<u>1,234,904</u>	<u>1,140,769</u>
Creditors	9	<u>321,304</u>	<u>185,195</u>
Net Current Assets		<u>913,600</u>	<u>955,574</u>
Total Assets less			
Net Current Liabilities		<u>1,083,440</u>	<u>1,125,414</u>
Creditors: amounts due after one year		<u>325,655</u>	<u>285,061</u>
Net Assets		<u><u>757,785</u></u>	<u><u>840,353</u></u>
Funds of the District			
General Fund (Unrestricted)		280,124	264,438
Designated Funds	12	463,179	527,221
Restricted Funds	11	11,326	45,767
Endowment Funds	10	<u>3,156</u>	<u>2,927</u>
Total Funds		<u><u>757,785</u></u>	<u><u>840,353</u></u>

The financial statements on pages 3 - 14 were approved by the board of trustees on and signed on its behalf by:

S J Lindridge



C Horton



Trustees

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST AUGUST 2021**

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The address of the District's registered office and principal place of business is 246 Wingrove Road North, Fenham, Newcastle upon Tyne, NE4 9EJ.

Newcastle upon Tyne District of the Methodist Church meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £

Going concern

Financial Reporting Standard 102 requires, if appropriate, the District's financial statements are prepared on a going concern basis, which means that the District is able to operate for the foreseeable future on the basis of known and reasonable projected resources. After reviewing financial and other information available, the Trustees consider that there are no material uncertainties in respect of the District's ability to continue as a going concern. Newcastle upon Tyne District of the Methodist Church has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements.

2 Fund accounting

The funds held constitute: General Funds held for any purpose of the District which are Unrestricted, Designated Funds and Restricted Funds which are held for a narrower purpose and Endowment Funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either Restricted or Unrestricted. Details of each material fund are disclosed in notes 10-14 to these accounts.

Income

Income is recognised in the period in which the District is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the District has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Voluntary income received by way of donations and gifts to the District is included in full in the statement of financial activities when received. Intangible income is not included unless it represents goods or services which would have otherwise been purchased. Gifts in kind are valued and brought in as income and the appropriate expenditure. There were no gifts in kind in the year ended 31st August 2021.

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST AUGUST 2021**

Accounting policies continued

Expenditure

Expenditure is recognised when a liability is incurred or a constructive obligation arises that result in the payment being unavoidable. Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and provision

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the District anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Tangible fixed assets and depreciation

Fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Depreciation is not charged on freehold buildings as under normal circumstances the residual values are considered to be greater than cost. However, the carrying values of freehold buildings are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Assets having an initial cost of £1,000 or less are written off on acquisition.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the District after deducting all of its liabilities. The District has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102, in full to all of its financial instruments.

All of the charities financial assets and financial liabilities qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST AUGUST 2021**

Accounting policies continued

3 Investments

Investments are stated at market value less any provision for permanent diminution in value.

Gains/(losses) on investments

Realised and unrealised capital gains and losses on investments are dealt with in the Statement of Financial Activities in the year in which they arise, based on the brought forward valuations or cost of subsequent additions.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless these costs are required to be capitalised as an intangible or tangible fixed asset.

Employees are only entitled to carry forward unused holiday entitlement in exceptional circumstances, and only by agreement with management. The cost of any unused entitlement is recognised in the period in which the employee's services are required.

Pension scheme

The charity operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity. The amount charged to the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown as either prepayments or accruals.

Agency arrangements

The district acts as an agent in the collection and payment of Methodist Church Fund. Related payments received from the Circuits are paid over to the Connexion and excluded from the statement of financial activities and are shown separately in note 20.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The District makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the District as lessee, or the lessee, where the District is a lessor.

Support from volunteers

Groups of volunteers support the work of the charity, the trustees are enormously grateful for all the hard work they do. Placing a monetary value on the contributions of the volunteers presents significant difficulties. With the lack of a market comparator price for volunteers, it is impractical for their contribution to be measured reliably for accounting purposes. Given the absence of a reliable measurement basis, the contribution of general volunteers has not been included as income in the charity's accounts.

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST AUGUST 2021**4a. Income from Charitable Activities**

	Unrestricted Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Assessment on circuits	84,762	-	-	-	84,762	59,654
From Circuit Model						
Trust Funds	-	-	82,094	-	82,094	70,165
Connexional Advance & Property Fund	-	-	153,253	-	153,253	138,593
	<u>84,762</u>	<u>-</u>	<u>235,347</u>	<u>-</u>	<u>320,109</u>	<u>268,412</u>

The income from charitable activities was £320,109 (2020 £268,412) of which £84,762 was unrestricted (2020 £59,654) and £235,347 was restricted (2020 £208,758)

4b. Other Income	Un-Restricted Fund £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Grants Received	-	33,000	-	-	33,000	60,000
Workplace Chaplain	-	-	-	-	-	7,500
Sundry Income	612	-	-	-	612	13,622
	<u>612</u>	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>33,612</u>	<u>81,122</u>

The other income funding was £33,612 (2020: £81,122) of which £612 was unrestricted (2020: £1,422) and £33,000 was designated (2020: £69,107) and £nil was restricted (2020: £10,593)

4c. Expenditure

	Staff costs £	Direct costs £	Support Costs £	Total 2021 £	Total 2020 £
Salaries and associated costs	185,998	-	-	185,998	200,241
Manse costs	-	7,184	-	7,184	7,289
Administration	-	-	17,461	17,461	16,129
Grants and donations	-	220,884	-	220,884	102,661
Other expenditure	-	-	8,812	8,812	10,312
	<u>185,998</u>	<u>228,068</u>	<u>26,273</u>	<u>440,339</u>	<u>336,632</u>

Expenditure for the year was £440,339 (2020: £336,632) of which £208,194 (2020: £103,723) was restricted, £124,536 (2020: £126,457) was unrestricted, £107,603 (2020: £106,445) was designated and £6 (2020: £6) was endowment.

Grants and donations are made up as follows:	2021 £220,884	2020 £102,661
Breakdown of grants paid are shown at note 21 on page 14		
Support costs are made up as follows:	2021 £26,273	2020 £16,129

During the year expenses were reimbursed to trustees of the charity totalling £8355 (2020: £15919)

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2021

5 Trustees

None of the trustees, or persons connected with them, received any remuneration or other benefits from the District or any connected organisation as a result of their office during the year ended 31st August 2021 (2020: £nil). Trustees are allowed to reclaim certain expenses incurred as a result of them fulfilling their duties. The amount claimed during the year ended 31st August 2021 was:

	2021	2020
Number of trustees who were paid expenses	8	8
Reimbursement of expenses		
Total reimbursement of expenses	<u>£8,355</u>	<u>£15,919</u>

6 Staff costs and the cost of key management personnel

The aggregate payroll costs during the year were:

	2021	2020
	£	£
Wages and Salaries	150,174	148,921
Social Security Costs	10,853	9,973
Other Pension Costs	18,236	16,943
	<u>179,263</u>	<u>175,837</u>

No employee earned in excess of £60,000 during the year (2020: nil)

Particulars of employees:

The average number of staff employed by the District during the financial year amounted to:

	2021	2020
	No	No
Total	<u>11</u>	<u>11</u>

Key management personnel

No salaries as employee benefits are paid to the key management personnel for the year (2020: nil)

Net outgoing resources

Net outgoing resources are stated after charging:

	2021	2020
	£	£
Staff pension contributions	18,236	16,943
Independent examiners fee	<u>2,760</u>	<u>2,760</u>

7 Tangible fixed assets

	Freehold Buildings £
Cost	
1st September 2020 & 31st August 2021	<u>175,516</u>
Depreciation	
1st September 2020 & 31st August 2021	5,676
Net book value	
31st August 2020 & 31st August 2021	<u>169,840</u>

All tangible fixed assets are held for charitable purposes.

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2021

8 Debtors

	2021	2020
	£	£
Prepayments and accrued income	72,814	22,556

9 Creditors:

	2021	2020
	£	£
Accruals and deferred income		
Due within twelve months	321,304	185,195
Creditors due over twelve months	325,655	285,061
	646,959	470,256

10 Endowment funds

	Balance 1 September 2020	Incoming Resources	Charitable Activities	Transfers	Outgoing Resources	Balance 31 August 2021
2021	£	£	£	£	£	£
Permanent endowments:						
The W H Scott						
Memorial Trust	2,927	259	-	24	6	3,156
	2,019					2,020
2020	£	£	£	£	£	£
Permanent endowments						
The WH Scott						
Memorial Trust	2927	26	0	20	6	2927

The W H Scott Memorial Trust was established in 1924 for the benefit of Wesleyan Methodist Ministers Widows. This was subsequently amended due to the lack of beneficiaries and the income only is now paid to the District Benevolent Fund. The fund is represented by investments.

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2021

11 Restricted funds

2021	Balance				Investment			Balance
	1 September				Gains			31 August
	2020	Income	Expenditure	(Losses)	Transfers			2021
District Advance Fund	24,297	237,312	206,032	-	(66,000)			(10,423)
Benevolent Fund	5,797	235	-	-	24			6,056
MSM Fund	15,673	20	-	-	-			15,693
Training Fund	-	346	2,162	-	1,816			-
	45,767	237,913	208,194	-	(64,160)			11,326

2020	Balance				Investment			Balance
	1 September				Gains			31 August
	2019	Income	Expenditure	(Losses)	Transfers			2020
District Advance Fund	430	224,429	93,562	-	(107,000)			24297
Benevolent Fund	5,941	-	164	-	20			5,797
MSM Fund	15,566	107	-	-	-			15,673
Training Fund	-	2,753	9,997	-	7,244			-
Regional Training Forum	900	-	-	-	(900)			-
	22,837	227,289	103,723	-	(100,636)			45,767

12 Designated funds

2021	Balance				Investment			Balance
	1 September				Gains			31 August
	2020	Income	Expenditure	(Losses)	Transfers			2021
University Chaplaincy	29,778	30,000	48,396	-	-			11,382
Capital Fund	350,426	916	426	-	(18,606)			332,310
International Fund	20	-	-	-	-			20
Our Calling	20,000	-	38,606	-	18,606			-
District Aid Fund	100,062	136	-	-	-			100,198
Industrial Chaplaincy	12,641	-	13,641	-	1,000			-
Mission Together Fund	12,803	3,000	6,534	-	10,000			19,269
Ignite	1,491	-	-	-	(1,491)			-
Total Designated Funds	527,221	34,052	107,603	-	9,509			463,179

2020	Balance				Investment			Balance
	1 September				Gains			31 August
	2019	Income	Expenditure	(Losses)	Transfers			2020
University Chaplaincy	29,432	30,000	44,654	-	15,000			29,778
Capital Fund	366,530	3,741	423	-	(19,422)			350,426
Our Calling	20,000	20,000	39,422	-	19,422			20,000
International Fund	20	-	-	-	-			20
District Aid Fund	100,018	44	-	-	-			100,062
Mission Together Fund	1,106	10,000	8,303	-	10,000			12,803
Industrial Chaplaincy	-	7,500	9,859	-	15,000			12,641
Ignite	3,668	1,607	3,784	-	-			1,491
Total Designated funds	520,774	72,892	106,445	-	40,000			527,221

These unaudited financial statements have been subject to independent examination. See report on page 2

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2021

12 Designated funds (continued)

The income funds of the charity include designated funds, which has been set aside out of unrestricted funds by the Trustees for specific purposes:

The Capital Fund is a fund to which all members and circuits have subscribed. The investment income only will be used for "people" based projects and any funding granted will be on a pump-priming basis. Several grants have been made. The fund is represented by bank balances and is fully subscribed to.

The Cuba Fund is a fund begun by donations to a sponsored walk and used to fund close links between the District and that country. It has been renamed "International Fund."

The District Aid Fund has been set up to make loans to aid completion of projects.

The Mission Together Fund is receiving donations to fund the District Wide Mission.

The University Chaplaincy fund provides a chaplaincy service to higher and further education institutions within the Newcastle District

The Ignite programme promotes leadership training courses run in connection with the Pioneer Connexion Church (as a partner)

The Our Calling Fund is a grant from Connexion to fund the work of Deacon T Hume in her work as District Community Enabler. It was resolved to fund any deficit from the District Capital Fund

The Industrial Chaplaincy Fund supports the work of Industrial Chaplains particularly at Newcastle International Airport.

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

The Benevolent Fund represents funds designated for benevolent purposes as laid down by Standing Order S27(2). The income of the fund includes transfers from W H Scott Memorial Trust.

The fund is represented by cash and bank balances.

The District Advance Fund is a fund set up and administered under the standing orders of the Methodist Church. It receives income from Circuit Model Trust Funds within the District together with an allocation from Connexional Advance & Property Fund for property and people based projects to further the work of this charity in the Newcastle District. Surplus funds are held with the Trustees for Methodist Church Purposes.

The transfer to un-restricted funds is a grant made to finance the Stipend and expenses of the District Evangelism Enabler and the District Resourcing Mission Adviser.

The MSM Fund was set up to enable the District Evangelism Enabler to organise "Mission Shaped Ministry" courses in an area extending beyond the boundaries of the Newcastle District and covering the North of England. It is also open to other denominations. It is now under the stewardship of the Newcastle District.

Training Fund receives donations from Circuits and makes donations to lay and ordained members of churches undertaking training.

The Regional Training Forum Fund is a grant made from the North East Training Forum and has been transferred to the training fund

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2021

14 Charitable commitments

At 31st August 2021 there were no commitments which are to be funded out of the District Capital Fund:
(2020-£nil)

15 Ultimate controlling party

The ultimate controlling party of the District is considered to be the Annual Conference of the Methodist Church.

16 Related parties

The related parties of the District are twelve Circuits, their Chapels and Manses, which are all based in the North-East of England. They are contactable via the principal address of the Charity. Funds are transferred on a quarterly basis.

No related party transactions took place during the current or previous year.

17 Capital commitments

	2021	2020
	£	£
At 31st August 2021 the District had the following Capital Commitments: Amount Authorised but not contracted for	-	-

18 Analysis of net assets between funds

	Un-Restricted	Designated	Restricted	Endowment	Total
2021	Fund	Funds	Funds	Funds	2021
	£	£	£	£	£
Tangible fixed assets	169,840	-	-	-	169,840
Current assets	136,665	463,670	631,413	3,156	1,234,904
Current liabilities	(25,056)	-	(621,903)	-	(646,959)
	<u>281,449</u>	<u>463,670</u>	<u>9,510</u>	<u>3,156</u>	<u>757,785</u>
	Un-Restricted	Designated	Restricted	Endowment	Total
2020	Fund	Funds	Funds	Funds	2020
	£	£	£	£	£
Tangible fixed assets	169,840	0	0	0	169,840
Current assets	103,561	527,221	507,260	2,927	1,140,969
Current liabilities	(8,963)	-	(461,293)	0	(470,256)
	<u>264,438</u>	<u>527,221</u>	<u>45,967</u>	<u>2,927</u>	<u>840,553</u>

These unaudited financial statements have been subject to independent examination. See report on page 2.

NEWCASTLE UPON TYNE DISTRICT OF THE METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2021

19 Taxation

The District is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the District.

20 Amounts disbursed as agent

	2021	2020
	£	£
Methodist Church Fund assessments received	548,268	520,346
Methodist Church Fund assessments paid	<u>548,268</u>	<u>520,346</u>

21 Grants and donations

	2021	2020
	£	£
Institutions		
Newcastle West Circuit	5,000	5,000
Newcastle Central and East Circuit	30,080	0
South West Tyneside	67,000	0
East Durham Circuit	0	43,000
Tynedale Circuit	24,187	1,500
Lindisfarne	10,582	0
District Evangelism Enabler	26,500	0
Bede Circuit	-33,268	0
District Property Secretary	30,000	0
District Digital Ministry	45,000	
North Shields & Whitley Bay Circuit	0	50,000
Industrial Chaplaincy	<u>13,641</u>	<u>0</u>
	218,722	99,500
Individuals for Training all under £1000	<u>2,162</u>	<u>3,161</u>
	<u>220,884</u>	<u>102,661</u>

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